

Get Money Fast, Easy And Safely: Get Direct Deposit

DIRECT DEPOSIT

Simple. Safe. Secure.

Direct Deposit — the electronic transfer of funds directly to a customer's account — is one of the fastest growing services being offered by financial institutions today. More than 50 million Americans are currently using some form of electronic transfer, according to the National Automated Clearing House Association.

Since the introduction of Direct Deposit in the mid-1970s, U.S. government agencies have encouraged benefit recipients to use it as a safe, convenient way to receive their Social Security, federal retirement and railroad pension, Veterans and other payments. A recent law passed by Congress aims to have people who get their government payments by check (except tax refunds) enroll in this program by January 1999.

Any recipient who would face difficulty or hardship because of Direct Deposit can continue to receive a check. No one will be forced to change the way they receive payments, and no payments will be withheld or delayed under any circumstances, Treasury officials said. Therefore, recipients should examine their options and make the choice that is right for them.

"Direct Deposit maximizes the benefits of increased security and convenience for recipients who move to electronic payment," said John D. Hawke, Jr., Under Secretary of Domestic Finance at the Treasury Department. "Still, no one will be disadvantaged by this program — particularly those who may have special needs, such as the elderly, the physically disabled, or those living in remote or rural communities."

Direct Deposit has proved to be a popular choice for millions of federal beneficiaries. According to the Financial Management Service, a bureau of the Treasury Department, over 65 percent of recipients are taking advantage of Direct Deposit, including seven out of ten Social Security beneficiaries.

With Direct Deposit, payments are sent directly from Treasury to recipients' checking or savings accounts at banks, credit unions or savings and loans institutions, and the money is available on the morning of the scheduled payment date. Direct Deposit also eliminates the risk of paper checks being stolen, lost or misplaced.

"With Direct Deposit, we no longer have to worry about getting our funds to the bank to pay our regular monthly bills," said Everett Armstrong, 81, a retired electrical contractor in Iowa who, along with his wife, receives monthly Social Security retirement benefits. "We can always count on the money being available when we need it."

Enrolling in Direct Deposit is easy. To sign up, recipients can complete a simple form available from their local financial institution or contact the federal agency which issues their benefit payment.

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